

Department of Ecology
Typical Dairy Penalty Collection Costs
August 22, 2000

These are typical examples of costs incurred by the Department of Ecology for the collection of dairy penalties. Please note this is an example for collection of the penalty and does not include the costs associated with inspections and issuance of the penalty.

EXAMPLE 1

In this example the penalty is issued and the person receiving the penalty pays the penalty voluntarily. In this case the cost for collecting the penalty is minimal and primarily consists of fiscal staff processing the payment and depositing the funds in the Dairy Account.

EXAMPLE 2

In this example the penalty is issued and appealed to the Pollution Control Hearings Board (PCHB). The cost estimate below is for the time required for (1) Ecology Attorney General service, and (2) Ecology staff inspector time to prepare for the case and attend the hearing.

Average AG time required:	20 hours preparation
	6 hours at the PCHB
	26 hours @ \$76 per hour = \$1,976

Average Staff time required:	10 hours for preparation and attendance at the PCHB hearing
	10 hours @ \$18 per hour = \$180

Total cost to litigate the penalty is \$2,156. If the penalty is paid then an additional minimal fiscal staff time is necessary to process the payment and deposit the funds in the Dairy Account.

EXAMPLE 3

In this example it is assumed the penalty went to the PCHB and some portion or all of the penalty has been affirmed by the PCHB and the individual still does not pay the penalty. The penalty is then assigned to a collection agency. The cost for the collection agency services is about \$75. A minimal amount of Ecology fiscal staff time is also consumed. This is repeated again if the first collection agency is not successful.

Total cost for the two collection agencies services is \$150.

Summary of Expenditures, Collections and Outstanding Penalties

EXAMPLE 1

Amount collected under this example is \$23,966.

EXAMPLE 2

Amount collected under this example is \$38,000.

Amount expended to collect these fines was $\$2,156 \times \text{four penalties} = \$8,624$.

Combined amount collected under examples #1 and #2 is \$61,966.

EXAMPLE 3

Amount outstanding under this example is \$62,000.

Maximum amount expended to collect these penalties through a collection service is $\$150 \times \text{seven penalties} = \$1,050$ plus minor administrative costs.